

Fact Sheet

Module 3: Interest Income

Interest is the charge for the use of borrowed money.

Money earns interest when it is

- deposited in accounts in banks, savings and loans, and credit unions.
- used to buy certificates of deposit or bonds.
- lent to another person or business.

Interest income may be taxable or tax-exempt.

Interest income is reported on Form 1099-INT.

All taxable interest income is reported on the taxpayer's return, even if it does not appear on Form 1099-INT.

☐ CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112 2005 Form 1099-INT	Interest Income	
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Interest income not included in box 3 \$			Copy B For Recipient This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name Street address (including apt. no.) City, state, and ZIP code		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$		
		4 Federal income tax withheld \$	5 Investment expenses \$		
		6 Foreign tax paid \$	7 Foreign country or U.S. possession		
Account number (see instructions)					

Form **1099-INT**

(keep for your records)

Department of the Treasury - Internal Revenue Service